

*Congressman Steve Israel*  
*Opening Statement, House Financial Services Committee Hearing*  
*Oversight of the Office of the Comptroller of the Currency*  
*April 1, 2004*

Good morning. First I would like to thank the Chairman and Ranking Member for holding this important hearing this morning. The issue of the recently finalized OCC regulations have been hotly debated both here and in many of our State Capitols. It is important the Congress take the opportunity to weigh in. I would also like to thank Comptroller Hawke for appearing today – I look forward to hearing your testimony.

Mr. Chairman, I will be brief, but I do wish clarify a few points that I feel have been clouded during the course of this debate. First, as you know, this is the only time the Full Committee has met to address this issue. During consideration of the Budget Views and Estimates, we were asked to vote on an amendment that questioned the OCC's ability to implement this rule under their budget. I supported that amendment. As a fiscal conservative, I feel strongly that we must make the budget process as accurate as possible.

However, that vote should not be interpreted as opposition to the rule itself. I believe that there is a strong case to be made that these regulations will help to preserve the dual banking system. Without federal preemption, national banks would be subject to state and local laws and the distinctions between state and national banks would disappear. This was not Congress's intent in establishing federal banking charters and a federal regulator.

States have an important role to play in regulating state-chartered institutions, but do not have the authority to regulate the activities of national banks. That is the basis of the dual banking system.

Beyond the need to guarantee a strong dual banking system, these regulations will ensure that national banks are able interact with consumers on a uniform basis, no matter where the consumer is located. They also permit national banks to offer products and services more efficiently and conveniently.

I am looking forward to hearing the Comptroller's testimony today as well as to a vigorous discussion of these and other issues. Thank you Mr. Chairman, I yield back the balance of my time.